

Monterey County Economic Forecast

Monterey County is located on the central coast of California. The county borders San Luis Obispo County to the south, Santa Cruz County to the north, and the counties of San Benito, Fresno, and Kings to the east. The farm industry is a vital component of the counties economy, accounting for over 3.3 billion dollars of total production, and 25 percent of the labor force. Monterey County has a population of 425,100 people and 168,730 wage and salary jobs. The per capita income in Monterey County is \$32,180, and the average salary per worker is \$40,800.

In 2004, 500 total wage and salary jobs were lost in Monterey County, representing decline in employment of 0.3 percent. Non-farm employment lost 1,260 jobs. This represents a decline of 1.0 percent, and is the third straight year of shrinking non-farm employment in the county. The farm sector, on the other hand, created 760 jobs— representing a growth rate of 1.8 percent. The unemployment rate fell to 8.4 percent in 2004.

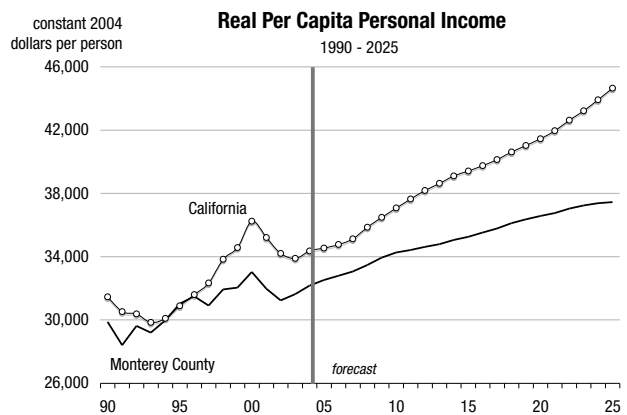
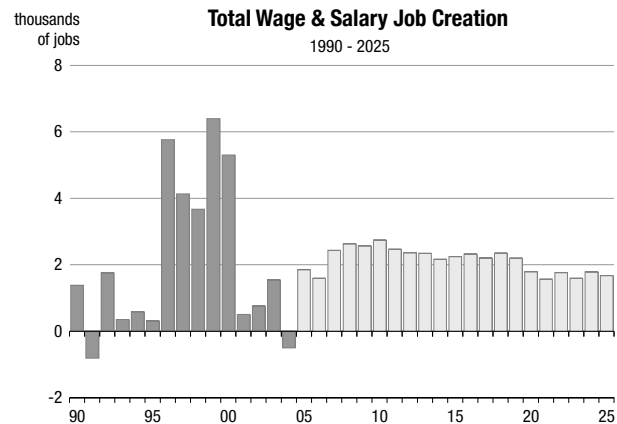
The principal sectors that are producing jobs in Monterey County are leisure services and farm. Government, financial activities, and manufacturing each lost a significant number of jobs in 2004. Public sector employment declined by 1,000 jobs last year. Government and farm are the largest sectors in the county, accounting for 18 and 25 percent, respectively of total employment in the county. Many of the government jobs are associated with the state correctional facilities in Soledad, which house a total of 8,400 inmates.

During 2004, the population grew in Monterey County at a rate of 1.0 percent. The fastest growing cities in the county are Seaside and Soledad, which rose 4.6 and 4.1 percent respectively, from January 2004 to January 2005. The largest city in the county is Salinas with a population of 152,600.

Employment growth is expected to turn positive over the forecast period. Most of the growth will occur in the non-farm sector. The population will continue to grow over the forecast, but virtually all of the growth will be due to the natural increase, rather than net migration.

Forecast Highlights

- Non-farm job growth is forecast to turn positive in 2005, increasing to 1.2 percent. Job growth is expected to continue to rise over the next five years, averaging 1.6 percent per year. Farm employment is forecast to increase an average of 0.7 percent per year between 2005 and 2010.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.6 percent per year over the next 5 years.
- Between 2005 and 2010, the momentum for employment growth is in professional services, retail trade, leisure services, government, and the farm sector. These sectors



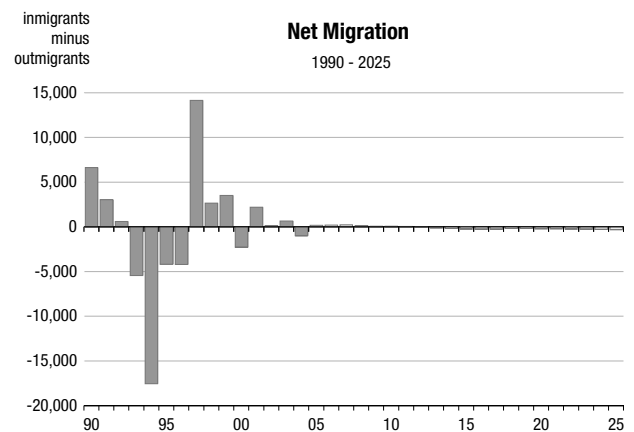
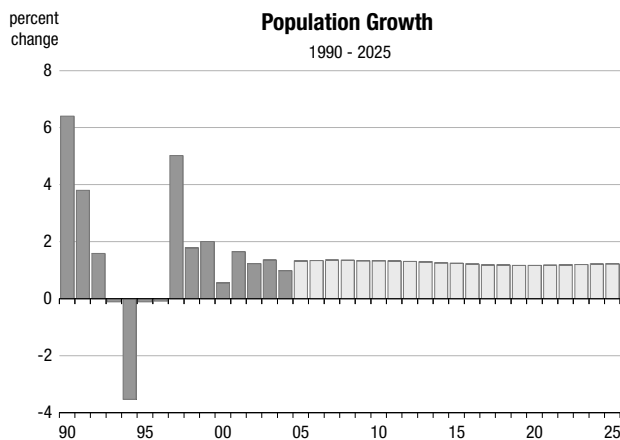
account for 80 percent of all jobs created in the county over the next five years.

- Population growth will slow over the foreseeable future. Annual growth in the 2005 to 2010 period averages 1.3 percent per year. Average growth in the state during this same period is 1.5 percent per year.
- Net migration will increase to an estimated 200 people in 2005. Over the next five years net migration is expected to average less than 200 net migrants entering the county per year.
- Real per capita income is forecast to increase 1.1 percent in 2005, and average this same rate of growth per year over the next five years.
- Industrial production is forecast to increase 2.0 percent in 2005. Over the next five years the growth rate of industrial production will increase, with total production rising 3.4 percent per year. Total crop production is expected to increase an average of 0.4 percent per year between 2005 and 2010.

Monterey County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	368,700	-4,167	271.2	112.6	1,323	\$3.2	\$8.7	\$31,029	2.0	2,661	1.04	12.4
1996	368,400	-4,197	277.4	113.5	1,496	\$3.4	\$9.0	\$31,489	2.3	2,478	1.09	11.4
1997	386,900	14,145	266.9	114.7	1,713	\$3.6	\$9.6	\$30,906	3.4	2,813	1.13	11.0
1998	393,800	2,662	285.1	116.3	1,178	\$3.9	\$10.5	\$31,931	3.2	2,757	1.13	10.8
1999	401,700	3,532	296.5	117.5	2,081	\$4.3	\$11.2	\$32,044	4.2	2,730	1.19	9.7
2000	403,943	-2,260	309.8	121.2	1,702	\$4.9	\$12.1	\$33,039	4.5	3,324	1.29	7.5
2001	410,629	2,196	322.7	122.9	1,064	\$5.1	\$12.5	\$31,972	5.4	2,803	1.31	7.9
2002	415,712	162	335.3	124.2	1,223	\$4.9	\$12.6	\$31,241	1.6	2,897	1.25	9.1
2003	421,355	669	332.1	125.1	1,385	\$4.9	\$13.2	\$31,638	1.8	3,328	1.25	9.1
2004	425,521	-972	350.6	126.1	1,276	\$5.2	\$13.7	\$32,177	1.2	3,324	1.26	8.4
2005	431,151	194	356.9	127.9	1,331	\$5.5	\$14.3	\$32,521	1.7	3,295	1.29	8.5
2006	436,937	202	363.3	129.4	1,333	\$5.9	\$15.0	\$32,801	2.7	3,276	1.30	8.6
2007	442,878	240	370.1	130.9	1,451	\$6.2	\$15.8	\$33,068	2.6	3,288	1.35	8.6
2008	448,848	160	377.1	132.3	1,477	\$6.6	\$16.6	\$33,480	2.6	3,284	1.41	8.5
2009	454,848	89	384.1	133.6	1,459	\$6.9	\$17.5	\$33,944	2.5	3,314	1.47	8.6
2010	460,924	82	391.2	134.8	1,480	\$7.2	\$18.4	\$34,268	2.7	3,357	1.52	8.6
2011	467,044	52	398.2	135.8	1,436	\$7.6	\$19.2	\$34,417	2.7	3,384	1.58	8.6
2012	473,156	-22	405.2	136.8	1,397	\$7.9	\$20.1	\$34,620	2.8	3,418	1.63	8.5
2013	479,255	-84	412.3	137.8	1,365	\$8.3	\$21.1	\$34,787	2.9	3,465	1.69	8.3
2014	485,303	-177	419.2	138.7	1,310	\$8.6	\$22.1	\$35,056	2.9	3,507	1.74	8.2
2015	491,320	-211	426.3	139.5	1,298	\$9.0	\$23.2	\$35,262	3.1	3,554	1.79	8.2
2016	497,287	-237	433.4	140.4	1,287	\$9.4	\$24.4	\$35,529	3.0	3,603	1.84	8.2
2017	503,199	-255	440.5	141.2	1,257	\$9.8	\$25.6	\$35,774	2.9	3,628	1.90	8.3
2018	509,162	-177	447.6	142.0	1,264	\$10.2	\$26.8	\$36,115	2.7	3,664	1.97	8.4
2019	515,127	-181	454.7	142.8	1,227	\$10.7	\$28.1	\$36,363	2.8	3,702	2.04	8.5
2020	521,157	-187	461.7	143.4	1,158	\$11.1	\$29.3	\$36,580	2.7	3,738	2.12	8.5
2021	527,278	-209	468.6	144.1	1,112	\$11.6	\$30.6	\$36,759	2.6	3,754	2.19	8.5
2022	533,529	-224	475.6	144.8	1,116	\$12.0	\$32.0	\$37,034	2.6	3,785	2.26	8.5
2023	539,935	-242	482.6	145.4	1,075	\$12.5	\$33.5	\$37,234	2.7	3,797	2.34	8.6
2024	546,504	-263	489.7	146.0	1,081	\$13.0	\$34.9	\$37,375	2.7	3,832	2.42	8.5
2025	553,206	-308	496.8	146.7	1,046	\$13.5	\$36.4	\$37,449	2.7	3,866	2.50	8.5



Monterey County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
1995	141.1	33.0	3.83	9.01	2.88	17.5	6.65	9.6	3.13	9.3	16.8	25.8
1996	146.9	34.8	4.11	9.19	3.07	18.0	6.16	11.1	3.04	9.4	17.5	26.7
1997	151.0	34.8	4.46	9.06	3.19	19.1	6.07	11.5	2.98	10.0	17.9	28.1
1998	154.7	35.2	5.28	8.47	3.33	19.6	6.19	11.6	3.01	10.7	18.2	29.2
1999	161.1	37.5	5.93	8.43	3.57	20.2	6.27	12.9	2.92	10.7	18.8	29.8
2000	166.4	39.1	6.27	8.74	3.53	20.9	6.31	12.9	2.78	11.2	20.0	30.4
2001	166.9	36.9	6.65	9.27	3.53	21.9	6.47	12.5	2.78	11.7	20.4	30.4
2002	167.7	38.1	6.61	8.27	3.42	22.1	6.53	12.3	2.39	12.0	20.1	31.3
2003	169.2	41.4	6.68	7.52	3.24	22.0	6.47	11.8	2.39	12.3	19.7	31.1
2004	168.7	42.2	6.81	7.14	3.32	21.8	5.98	11.5	2.29	12.2	20.5	30.1
2005	170.6	42.5	7.04	7.09	3.34	22.0	6.02	11.8	2.23	12.1	21.1	30.2
2006	172.2	42.8	7.17	7.12	3.37	22.4	6.05	12.1	2.16	12.0	21.5	30.4
2007	174.6	43.3	7.37	7.16	3.45	22.7	6.08	12.5	2.10	12.0	22.0	30.8
2008	177.3	43.4	7.54	7.19	3.56	23.1	6.11	13.0	2.05	12.0	22.7	31.2
2009	179.8	43.7	7.59	7.22	3.66	23.6	6.14	13.4	1.99	12.0	23.2	31.8
2010	182.6	44.0	7.63	7.24	3.76	24.1	6.20	13.9	1.95	12.1	23.7	32.4
2011	185.0	44.0	7.63	7.27	3.85	24.6	6.26	14.3	1.92	12.3	24.2	33.0
2012	187.4	44.0	7.64	7.29	3.94	25.0	6.32	14.7	1.88	12.5	24.6	33.8
2013	189.8	44.0	7.68	7.29	4.02	25.4	6.38	15.1	1.84	12.7	25.0	34.5
2014	191.9	44.0	7.72	7.29	4.09	25.7	6.44	15.3	1.79	12.9	25.4	35.3
2015	194.2	43.9	7.79	7.27	4.17	26.0	6.50	15.6	1.74	13.2	25.9	36.1
2016	196.5	43.8	7.89	7.26	4.24	26.4	6.57	15.7	1.70	13.6	26.4	36.9
2017	198.7	43.5	7.98	7.25	4.32	26.8	6.64	15.9	1.67	13.9	26.9	37.8
2018	201.1	43.3	8.06	7.23	4.40	27.2	6.72	16.0	1.64	14.3	27.3	38.7
2019	203.3	43.2	8.09	7.21	4.49	27.5	6.80	16.1	1.61	14.7	27.7	39.5
2020	205.1	43.0	8.05	7.17	4.57	27.9	6.87	16.3	1.59	15.0	27.9	40.3
2021	206.6	42.6	8.03	7.15	4.65	28.2	6.95	16.4	1.57	15.3	28.1	41.1
2022	208.4	42.5	8.04	7.15	4.73	28.6	7.02	16.5	1.54	15.6	28.3	41.8
2023	210.0	42.1	8.08	7.15	4.81	29.0	7.10	16.7	1.53	15.8	28.4	42.4
2024	211.8	42.0	8.17	7.15	4.89	29.4	7.18	16.8	1.52	16.1	28.6	43.1
2025	213.5	41.9	8.25	7.14	4.97	29.7	7.27	16.9	1.51	16.3	28.7	43.7

